

Message Text

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P 181702Z JUL 78
FM AMEMBASSY VIENNA
TO SECSTATE WASHDC PRIORITY 7230
INFO USMISSION GENEVA PRIORITY
USMISSION USUN NEW YORK PRIORITY
AMEMBASSY BONN PRIORITY

C O N F I D E N T I A L SECTION 01 OF 03 VIENNA 06504

UNIDO

GENEVA FOR ECOSOC DEL/REIMER

E.O. 11652:GDS
TAGS: UNIDO
SUBJECT: REAPPOINTMENT OF UNIDO EXECUTIVE DIRECTOR KHANE

REF: (A) STATE 174518; (B) 178549

1. SUMMARY. SENIOR FRG OFFICIAL EXPRESSED PERSONAL VIEW TO KHANE THAT FRG COULD SUPPORT HIS REAPPOINTMENT IF HE CHOOSES TO BE A CANDIDATE BUT FRG PERMREP SAYS FRG HAS NO OFFICIAL COMMITMENT TO KHANE AND WOULD CONSIDER ALTERNATIVES. PERU HAS POSSIBLE CANDIDATE. MOST OTHER DELS CONTACTED IN VIENNA LARGELY UNINFORMED. MISSION DOES NOT BELIEVE KHANE HAS STRONG OR ACTIVE BASE OF SUPPORT BUT, IF HE IS TO BE REPLACED, ALTERNATIVE NAME(S) MUST BE PUT OFFICIALLY ON TABLE SOON. DC CANDIDATE NEED NOT BE RULED OUT BUT LATIN AMERICAN MAY BE BEST BET IN TERMS OF UN POLITICS. SUGGEST U.S.DEL TO ECOSOC IN GENEVA CONSIDER
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TAKING FURTHER DISCREET SOUNDINGS. END SUMMARY.

2. PERMREP DISCUSSED KHANE'S FUTURE WITH FRG PERMREP AMBASSADOR HOFFMANN ON JULY 13 AND HAD ANOTHER LENGTHY SESSION WITH HOFFMANN JULY 17 FOLLOWING RECEIPT OF REFTTEL B.

3. HOFFMANN REPORTED THAT, AT TIME OF INDUSTRIAL DEVELOPMENT BOARD MEETING IN MAY, HORST MOLTRECHT (SENIOR OFFICIAL OF FRG MINISTRY OF ECONOMIC COOPERATION WHO WAS CO-LEADER OF FRG DELEGATION) AND OTHER MEMBERS OF FRG DELEGATION MET WITH KHANE. IN RESPONSE TO A QUESTION FROM MOLTRECHT REGARDING KHANE'S FUTURE PLANS, KHANE SAID HE WAS DEEPLY COMMITTED TO UNIDO AND SAW NO REASON TO STEP OUT UNLESS THERE WAS STRONG OPPOSITION TO HIS CONTINUING AS EXECUTIVE DIRECTOR; IF HE COULD BE ASSURED OF MAJORITY SUPPORT HE WOULD WISH TO BE CONSIDERED FOR A SECOND TERM. ACCORDING TO HOFFMANN, MOLTRECHT SAID ON A PERSONAL BASIS THAT HE THOUGHT KHANE COULD COUNT ON FRG SUPPORT IF HE SHOULD DECIDE TO SEEK REAPPOINTMENT. (NOTE: CONTRARY TO WHAT IS STATED IN PARA 1, REFTEL B, FRG HAS NOT REPEAT NOT "PUBLICLY" INDICATED SUPPORT FOR KHANE'S REAPPOINTMENT, ALTHOUGH WORD OF MOLTRECHT'S PRIVATE COMMENT TO KHANE IS BOUND TO GET AROUND.)

4. HOFFMANN SAID MOLTRECHT'S POSITION HAD BEEN INFLUENCED BY INTERNAL FRG DELEGATION DISCUSSION WHICH HAD CONCLUDED THAT KHANE'S PERFORMANCE HAS IMPROVED IN RECENT MONTHS, THAT ONE WAY TO OVERCOME HIS SUSPICIONS OF THE GROUP B COUNTRIES AND HIS TENDENCY TO SURROUND HIMSELF ENTIRELY WITH "FRIENDS" (USUALLY MOSLEMS) WOULD BE TO INDICATE THAT GROUP B COUNTRIES ARE NOT ANTAGONISTIC BUT WANT TO WORK WITH HIM, AND, FINALLY, THAT THERE WERE ARGUMENTS

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AGAINST CHANGING LEADERS AND LOSING CONTINUITY SO CLOSE TO THE TIME OF UNIDO-III (SCHEDULED FOR FEBRUARY 1980 IN NEW DELHI). ALTHOUGH HOFFMANN DID NOT SAY SO EXPLICITLY, PERMREP HAS IMPRESSION THAT IN MEETING WITH KHANE MOLTRECHT, INTER ALIA, WAS PROMOTING FRG REPRESENTATION IN UNIDO SECRETARIAT, INCLUDING EXTENSION OF ARNO MANECK AS SECRETARY OF IDB, AND MAY HAVE HOPED TO INFLUENCE KHANE POSITIVELY WITH RESPECT TO THESE MATTERS.

5. PERMREP TOLD HOFFMANN THAT, WHILE HE HAD ALSO DETECTED SOME POSITIVE TRENDS IN UNIDO IN RECENT MONTHS, UNIDO NEVERTHELESS SUFFERS FROM A SERIOUSLY NEGATIVE PUBLIC IMAGE WHICH CANNOT BE DIVORCED FROM QUESTION OF LEADERSHIP. IN OUR VIEW, IT IS ESSENTIAL TO FIND A DYNAMIC, EFFECTIVE, AND RESPECTED INDIVIDUAL TO FILL THE EXECUTIVE DIRECTOR'S POSITION IF UNIDO IS TO COMMAND THE SUPPORT IN THE U.S. AND ELSEWHERE THAT IT REQUIRES TO DO ITS JOB. PERMREP SAID U.S. DOES NOT WANT TO BE SEEN AS LEADING A DRIVE TO OUST KHANE, BUT THAT WE THINK IT IMPORTANT TO BE ABLE TO CONSIDER ALTERNATIVE CANDIDATES.

6. HOFFMANN ASSURED PERMREP THAT FRG IS NOT REPEAT NOT

FORMALLY COMMITTED TO KHANE. MOLTRECHT/KHANE EXCHANGE ASSUMED SITUATION IN WHICH KHANE WOULD BE A CANDIDATE BECAUSE HE HAD WIDESPREAD SUPPORT (OR LITTLE OPPOSITION) AND THEREFORE FRG SUPPORT WOULD BE LITTLE MORE THAN A GESTURE. HOFFMANN SAID HE WAS CONFIDENT FRG WOULD WISH TO GIVE FULL CONSIDERATION TO ANY OTHER CANDIDATES THAT MIGHT SURFACE. HE DISMISSED PROSPECTS FOR AN FRG CANDIDACY, POINTING OUT THAT THE DELICATE RELATIONSHIP WITH THE GDR AND THE FREQUENT QUESTIONS THAT HAVE ARISEN IN UNIDO ABOUT ACTIVITIES IN BERLIN WOULD MAKE THIS PARTICULARLY INFEASIBLE.

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7. PERMREP TALKED WITH PERUVIAN PERMREP AMBASSADOR SILVA ARANDA LATE ON JULY 17, REFERRED TO RUMORS THAT LATIN AMERICANS MIGHT PUT FORWARD A CANDIDATE FOR EXECUTIVE DIRECTORSHIP, AND INQUIRED WHAT SILVA KNEW ABOUT THIS. SILVA, WHO IS ONE OF MORE ACTIVE G-77 REPS IN VIENNA NOW THAT SIAZON (PHILIPPINES) AND SATTAR (PAKISTAN) HAVE DEPARTED, SAID PERU HAD A CANDIDATE WHOM IT WOULD PUT FORWARD IF CIRCUMSTANCES WERE RIGHT. WHETHER PERU WOULD DO SO WOULD DEPEND ON SUCH THINGS AS KHANE'S OWN INTENTIONS AND ON WHAT OTHER LATIN AMERICANS OR AFRICANS DECIDE TO DO. SILVA REFERRED TO REPORTS THAT SUDANESE WHO MISSED OUT ON HIGH LEVEL ECONOMIC POSITION IN NEW YORK, MAY BE A CANDIDATE AND HE SOMEWHAT HEATEDLY COMMENTED THAT AFRICANS HAVE HAD THE UNIDO JOB LONG ENOUGH AND, IN FACT, HAVE A DISPROPORTIONATE SHARE OF SENIOR POSITIONS IN THE

UN SYSTEM. SILVA SAID IT WAS PREMATURE FOR HIM TO IDENTIFY THE POTENTIAL PERUVIAN CANDIDATE, BUT ADDED THAT THE MAN HAS AN "M.I.T. BACKGROUND" AND WOULD CERTAINLY BE THE TYPE OF PERSON THE USG COULD SUPPORT. SILVA SAID HE WAS AWAITING FURTHER INFORMATION FROM NEW YORK AND LIMA AND SUGGESTED A FURTHER CONVERSATION IN A FEW DAYS. PERMREP
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WILL FOLLOWUP.

8. DUE TO CONGRUENCE OF TRANSFERS, HOME LEAVES, AND SUMMER HOLIDAYS, DIPLOMATS INFORMED ABOUT UNIDO ARE RATHER SCARCE IN VIENNA AT PRESENT. MISSION HAS, HOWEVER, DISCUSSED QUESTION OF POSSIBLE ALTERNATIVES TO KHANE WITH A NUMBER OF OTHER MISSIONS AND WILL PURSUE THESE CONTACTS IN DAYS AHEAD. DISCUSSIONS HAVE NOT BEEN VERY FRUITFUL TO DATE. ARGENTINE AMBASSADOR PULIT THINKS LATIN AMERICANS MAY PUT FORWARD A CANDIDATE BUT HE HAS NOT RECEIVED ANY RECENT INFORMATION FROM BUENOS AIRES OR NEW YORK. NIGERIAN MISSION IS COMPLETELY UNINFORMED. AUSTRIANS WERE AWARE OF RUMORS OF LATIN AMERICAN OR AFRICAN CANDIDATES AND HAD LEARNED OF FRG "COMMITMENT" TO KHANE. NEW UK PERMREP CROMARTIE, WHO ARRIVED IN VIENNA JUST BEFORE MAY IDB MEETING WAS FAVORABLY IMPRESSED BY KHANE'S PERFORMANCE AT THE MEETING. (COMMENT: RIGHTLY SO. KHANE RESPONDED ABLY TO DELEGATES' INTERVENTIONS AND IN CLOSING HOURS MADE SOME EXCELLENT PROCEDURAL SUGGESTIONS WHICH HELPED BRING ORDER OUT OF THE CHAOS THEN REIGNING.) ON THE OTHER HAND, HE SEES MERIT IN U.S. VIEW THAT ALTERNATIVES SHOULD BE CONSIDERED WITH A VIEW TO IMPROVING UNIDO'S IMAGE AND EFFECTIVENESS. CROMARTIE DOES NOT KNOW RICHARD JOLLY BUT SAID THIS MAY BE BECAUSE HE (CROMARTIE) IS NEW TO THE FIELD; HE WILL MAKE INQUIRIES. (NOTE: IT MAY NOT BE IRRELEVANT IN ASSESSING UK ATTITUDE THAT KHANE HAS CEASED EFFORTS TO PUT SIDDIQUI (PAKISTAN) INTO DIRECTORSHIP OF ADMINISTRATIVE SERVICES DIVISION AND HAS JUST MADE KNOWN THAT HE IS NOMINATING GEOFFREY HOLMES (UK), PRESENT DEPUTY DIRECTOR, FOR THE JOB.)

9. COMMENT AND RECOMMENDATIONS: IN MISSION'S JUDGMENT KHANE HAS NO STRONG OR ACTIVE SUPPORT BASE. EVEN AMONG
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LDC REPS IN VIENNA, ATTITUDES TOWARD KHANE CAN BE MEASURED IN TERMS OF LESSER OR GREATER DEGREES OF DIS-SATISFACTION. MOST MEMBERS, WE ARE SURE, WOULD WELCOME A

GOOD ALTERNATIVE. ON THE OTHER HAND, KHANE HAS OF LATE APPEARED TO BE TAKING A MORE PRAGMATIC APPROACH TO HIS RESPONSIBILITIES AND HAS DONE A SUFFICIENT AMOUNT OF FENCE-MENDING SO THAT THE TIDE APPEARS TO HAVE TURNED SOMEWHAT IN HIS FAVOR, OR AT LEAST STOPPED RUNNING AGAINST HIM.

10. ANY SUCCESSFUL EFFORT TO REPLACE KHANE WILL REQUIRE THAT SOME COUNTRY OR GROUP OF COUNTRIES TAKE THE INITIATIVE TO PUT THE NAME OF A VIABLE CANDIDATE OR CANDIDATES ON THE TABLE OFFICIALLY FOR DISCUSSION AND DO THIS SOON. IDEALLY SUCH A CANDIDATE SHOULD BE NOT ONLY AN ABLE AND DYNAMIC ADMINISTRATOR WITH THOROUGH UNDERSTANDING OF DEVELOPMENT ISSUES, BUT A SKILLFUL POLITICIAN WITH A HIGH DEGREE OF PERSONAL PRESTIGE CAPABLE OF DEALING EFFECTIVELY WITH MEMBER GOVERNMENTS OF DIFFERING IDEOLOGIES AND PERSUASIONS AND WITH OTHER ELEMENTS OF THE UN SYSTEM.

11. A DEVELOPED COUNTRY CANDIDATE NEED NOT BE RULED OUT BUT IN CONTEXT OF UN POLITICS HE WOULD HAVE TO HAVE EXCEPTIONAL CREDENTIALS WITH LDC'S TO STAND A CHANCE. A DUTCHMAN, SCANDINAVIAN, OR PERHAPS A BRIT MIGHT CONCEIVABLY FILL THE BILL.

12. BEST BET APPEARS TO BE LATIN AMERICA. THE AREA HAS AN INTEREST IN THE PROBLEM AND APPARENTLY HAS APPROPRIATE CANDIDATES. THE BRIEF DESCRIPTION OF BOTERO MONTOYA IN REFTEL B MAKES HIM SOUND VIABLE. PERHAPS THE UNIDENTIFIED POTENTIAL PERUVIAN (PARA 7 ABOVE) IS A POSSIBILITY. FURTHER ADVANTAGE WOULD APPEAR TO BE THAT LATIN AMERICANS COULD ADVANCE A CANDIDACY NOT AS AN ANTI-KHANE MOVE BUT

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FM AMEMBASSY VIENNA

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AS AN ATTEMPT TO OBTAIN BETTER BALANCE IN THE DISTRIBUTION OF SENIOR UN POSTS.

13. NEW YORK WILL BE THE CENTER OF LOBBYING,NEGOTIATION, AND DECISION-MAKING. WITH APPARENTLY A NUMBER OF NEW YORK REPS AS WELL AS REPS FROM CAPITALS CURRENTLY IN GENEVA FOR ECOSOC MEETING, U.S. DEL TO ECOSOC MAY HAVE OPPORTUNITY FOR DISCREET DISCUSSIONS ON THIS SUBJECT. THIS MISSION WILL CONTINUE CONVERSATIONS HERE. DEPARTMENT SHOULD CONSIDER APPROACHES TO CERTAIN CAPITALS (E.G. LONDON, BOGOTA, LIMA) AT THE APPROPRIATE TIME. WE WOULD NOT EXPECT ANY SIGNIFICANT INITIATIVE FROM MOST OF OUR DIPLOMATIC COLLEAGUES IN VIENNA, BUT ONCE ONE OR MORE ALTERNATIVES HAVE SURFACED WE WOULD BE IN POSITION TO PERSUADE VIENNA-BASED MISSIONS TO USE THEIR INFLUENCE WITH THEIR CAPITALS.

14. MISSION HOPES THAT U.S. REPS IN RAISING THESE QUESTIONS WILL BE CAREFUL TO AVOID IMPRESSION THAT U.S. IS ENGAGED IN CAMPAIGN TO OUST DR. KHANE. WE CURRENTLY HAVE A RELATIVELY CORDIAL AND PRODUCTIVE RELATIONSHIP WITH HIM
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AND SECRETARIAT AND IF,DESPITE OUR EFFORTS, HE IS RE-APPOINTED, WE WILL HAVE TO CONTINUE TO WORK WITH HIM FOR FOUR MORE YEARS. EMPHASIS SHOULD BE ON FACT THAT KHANE'S FUTURE IS UNCERTAIN AND THAT WE BELIEVE IT IMPORTANT TO EXAMINE ALL POSSIBLE CANDIDATES FOR THE EXECUTIVE DIRECTORSHIP ON THEIR MERITS SO THAT FINAL DECISION WILL BE IN BEST INTERESTS OF UNIDO AND MEMBER GOVERNMENTS.
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Message Attributes

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